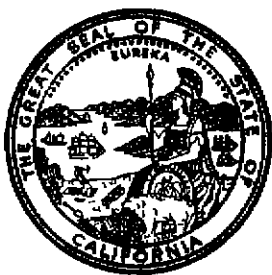


Mt San Jacinto
 Napa Valley
 Palomar
 Palo Verde
 Pasadena
 Rancho
 Riverside
 San Diego
 San Francisco
 San Jose
 Santa Clara
 Santa Cruz
 Stanislaus
 Sutter
 Tehama
 Tulare
 Tulsi
 Ukiah
 Yuba

EXECUTIVE COMPENSATION IN CALIFORNIA'S PUBLIC HIGHER EDUCATION, 1994-95



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

JUNE 1995

COMMISSION REPORT 95-6

Summary

Over the past 14 years, the California Postsecondary Education Commission, as directed by the Legislature, has reported annually on the compensation earned by higher education executives in California's public universities, and the comparison between these salaries and those in similar institutions nationally

This report responds to that directive and to more recent legislative requests for additional detail by reviewing and commenting on total executive compensation information provided by the California State University and the University of California. Included is information on executive salaries received by California Community College at the campus, district, and statewide levels. Also discussed are recent trends in higher education executive compensation and other aspects of compensation, such as housing and automobile allowances, where applicable.

This report presents the following information about salaries, as of February 1, 1995, in California higher education at the campus level and in each of the system's statewide offices:

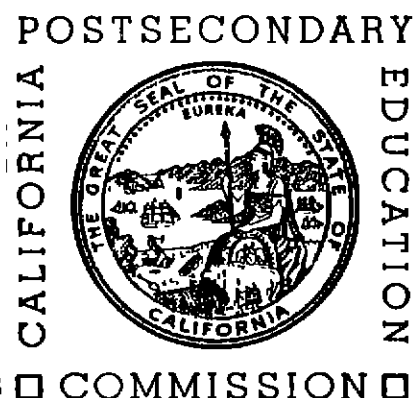
- California Community College chief executive salaries at the campus and district levels range from \$77,784 to \$145,000. The mean salary for chancellors is \$118,509, the presidents' mean is \$92,523 for multi-college districts, and \$99,680 for single-college districts. The mean for vice chancellors at the systemwide level is \$85,540, the base salary for the statewide chancellor is \$115,068.
- The mean salary of the California State University campus presidents is \$132,796, lagging the national comparison group by 22.5 percent. The State University Chancellor receives \$175,000, the salaries for other State University statewide executives range from \$125,688 to \$138,504.
- University of California campus chancellors received a mean salary of \$187,900, lagging two comparisons groups by 7.8 and 13.7 percent, respectively. The University president's base salary is \$243,500, salaries at the vice presidential level range from \$172,900 to \$190,000.

This report was adopted by the Commission at its June 5, 1995 meeting on a recommendation by its Fiscal Policy and Analysis Committee. To order copies of this report, write to the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938, or telephone (916) 445-7933.

EXECUTIVE COMPENSATION IN CALIFORNIA PUBLIC HIGHER EDUCATION, 1994-95

*The Third in a Series of Annual Reports
to the Governor and Legislature
in Response to the 1992 Budget Act*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1303 J Street ♦ Suite 500 ♦ Sacramento, California 95814-2938





COMMISSION REPORT 95-6
PUBLISHED JUNE 1995

Contributing Staff Penney Edgert

This report, like other publications of the California Postsecondary Education Commission, is not copyrighted. It may be reproduced in the public interest, but proper attribution to Report 95-6 of the California Postsecondary Education Commission is requested.

Contents

<i>Page</i>	<i>Section</i>
1	ONE: Background and Organization of the Report
1	The Commission's Prior Analyses of Executive Compensation
2	Organization of this Report
3	TWO: Context of the Report
3	Responsibilities of Public Higher Education Executives
4	Policy Issues in Considering Executive Compensation
5	The Commission's Perspective on Executive Compensation
5	The Commission's Responsibility Regarding Executive Compensation
7	THREE: Executive Compensation in the California Community Colleges
7	Compensation for Executives in Community College Districts
10	Compensation for Systemwide Executives
13	Commission Comments on Executive Compensation in the California Community Colleges
15	FOUR: Executive Compensation in the California State University
15	State University's Current Executive Compensation Policy
15	State University Presidential Compensation Compared to that at Similar Institutions Nationally

<i>Page</i>	<i>Section</i>
19	Compensation for State University Systemwide Executives
20	Commission Comments on Executive Compensation in the State University
23	FIVE: Executive Compensation in the University of California
23	The University's Policy on Executive Compensation
24	Compensation for University Chancellors
25	University Chancellors' Compensation Compared to That at Similar Institutions Nationally
26	The University's Internal Alignment of Compensation Levels Among Its Executives
27	Compensation for Executives in the Office of the President
28	Commission Comments on Executive Compensation in the University
31	Appendices
31	Report of the California Community Colleges
43	Report of the California State University
49	Report of the University of California
55	References

Displays

<i>Page</i>	<i>Display</i>
8	1 California Community College Chancellor's Salaries, 1994-95
8	2 California Community College President's Salaries, 1994-95
9	3 California Community College President/Superintendent's Salaries, 1993-94 and 1994-95
10	4 Salaries of Chief Executives in California Community Colleges, 1994-95
11	5 Designated Compensation for California Community Colleges Chancellor's Office Executive Staff, 1993-94 and 1994-95
16	6 Compensation for California State University Presidents, 1993-94 and 1994-95
19	7 Compensation of State University Systemwide Executive Staff, 1993-94 and 1994-95
24	8 Compensation for Chancellors at the University of California as of January 1994 and February 1995
26	9 Internal Alignment Among University Executives and Their Associated Compensation Levels as of February 1995
27	10 Compensation for Statewide Executives of the University of California as of January 1994 and February 1995

1

Background and Organization of the Report

IN ITS LAST report in this series, the Commission noted the intense interest that the topic of executive compensation has generated over the past several years among the public. Two reasons were suggested for this attention:

- ♦ All facets of higher education -- particularly those that have financial implications -- are receiving greater scrutiny as college costs have escalated, and,
- ♦ The perception that some executives over the past few years have been excessively rewarded financially has heightened concerns about executive compensation policies, the actual compensation levels, and the oversight of governing boards in establishing both the policies and the levels.

In this third report of the series, the Commission discusses current executive compensation policies on both the campuses and in the systemwide offices as well as compensation packages earned by these executives in the 1994-95 year within the larger context of California higher education in the 1990s.

The Commission's prior analyses of executive compensation

The Commission's reports on executive compensation began in 1981, when supplemental language to the Budget Bill that directed the Commission to present "comparative information on salaries of administrators within the University of California and the California State University." These annual reports over the past 14 years have detailed the extent to which the salaries of administrators in California's public universities compare to those in similar institutions nationally.

However, the recent escalation of interest in executive compensation issues resulted in the Legislature directing the Commission to examine in more detail the compensation received by California's public higher education executives. The 1992-93 Budget Bill contained the following language:

It is the intent of the Legislature that the University of California and the California State University report to the California Postsecondary Education Commission on January 1 of each year, beginning on January 1, 1993, on the level of the total compensation package for executives of the University of California (including the president, senior and vice presidents, and campus chancellors) and the California State University (including the chancellor, senior and vice chancellors, and campus presidents), respectively. Information on the total compensation package shall include detail concerning all of the following:

- (1) The structure and amount of salary compensation (current and deferred cash benefits), including but not limited to, all special supplemental income plans and nonqualified deferred income plans.

(2) Actual expenditure data associated with health and retirement benefit and perquisites by all funding sources (including non-General Funds), including, but not limited to, salary, insurance benefits, payment of federal and state income taxes, payment of property taxes, housing allowances, house maintenance allowances, benefits to spouses, subsidized interest rates, and expense accounts

It is the intent of the Legislature that the California Postsecondary Education Commission review the information provided and transmit its comments thereon to the Joint Budget Committee, the fiscal committees of each house, the appropriate policy committees of each house, and the Governor on or before March 1 of each year, beginning on March 1, 1993

Although this language was vetoed by the Governor, the California State University and the University of California have submitted reports to the Commission during the past three years. Additionally, this report includes information on California Community Colleges, in that it describes the compensation of executives at the campus level, in the district office, and in the statewide Chancellor's Office

This Commission report responds to both the 1981 and 1992 legislative directives by presenting information on the total compensation packages paid to higher education executives in California public universities and the extent to which the base salaries of campus executives in these systems compare to those earned by executives of comparable institutions across the country. Moreover, this report examines trends in levels of executive compensation at the California State University and the University over the past two years

**Organization of
this report**

Section Two provides a context in which to examine issues of executive compensation by exploring the role and responsibilities of those who hold those positions -- a section that remains largely unchanged from last year's report

Section Three presents information on the compensation earned by chief executives on community college campuses and in the statewide Chancellor's Office as of February 1995

Section Four discusses the compensation program of the California State University. It compares the base salaries of campus presidents with those received by chief executives on comparable campuses nationally and then analyzes the compensation earned by seven executives in the State University's Office of the Chancellor as of February 1995

Section Five describes the current University of California's executive compensation program, the compensation packages currently in place for the campus chancellors, the salaries paid to their counterparts at comparable institutions nationally, and the compensation received by ten executives at the systemwide Office of the President as of February 1995

2

Context of the Report

IN TRADITIONAL economic terms, within a free-market system, an individual's salary is closely related to the value that others place on the individual's work in terms of productivity, complexity, required technical expertise, and level of responsibility. Examining the level of compensation for public higher education executives thus involves analyzing these four factors, with particular attention to answering the question, *What are the major responsibilities of executives in public colleges and universities?*

Responsibilities of public higher education executives

Former Legislative Analyst A. Alan Post, in his 1992 report on executive compensation to the Regents of the University of California, identified three distinct areas in which college and university executives should demonstrate leadership qualities and sound judgment: academe, business, and government (p. 16). These three areas of expertise encompass the three principle responsibilities of public higher education executives -- educational leader, corporate administrator, and public servant.

- 1 *Educational leader.* Chancellors, presidents, and superintendents of California's public universities and community college districts are, first and foremost, educational leaders whose responsibility is to help students develop the skills, competencies, and knowledge they need for success and for ensuring the economic, social, and political health of the State. Moreover, educational executives serve as catalysts in coalescing faculty and staff members to fulfill their institutions' academic mission and in providing the physical, financial, and personnel resources necessary to accomplish its educational purposes.
- 2 *Corporate administrator.* California's public higher education executives operate enterprises of various sizes and complexities. Many campuses have budgets in the tens of millions of dollars, workforces in the thousands of faculty and staff members, and outcomes in the hundreds or thousands of educated students and graduates. Moreover, higher education executives raise revenue from multiple sources, establish priorities for the allocation of those resources, and administer myriad programs in light of disparate and often contradictory federal, state, and local regulations and laws.
- 3 *Public servant.* As Mr. Post notes in his report, executives of public colleges and universities function in a governmental capacity and are the custodians of a public trust rather than of "a moneymaking enterprise governed by the 'invisible hand' of Adam Smith." As such, according to Mr. Post, they require the intellectual and moral qualities which foster and sustain the collegiality of the

academic community, including both faculty and students, and maintain the support of the alumni, the political bodies, and the public” (ibid)

Policy issues in considering executive compensation

These three academic, corporate, and government responsibilities are often mutually complementary and supportive, but inherent disparities among them tend to become foci of discussions about the appropriate level of compensation for public higher education executives – and about the policies, criteria, and methodologies that should govern the establishment and review of those compensation levels. These contradictions are exemplified in questions such as these:

- 1 Should presidents and chancellors be compensated at levels significantly higher than senior faculty?
- 2 Should presidents and chancellors receive higher salaries than some State elected officials or State-level agency directors?
- 3 What influence should the compensation of executives in non-academic but equally responsible positions have on that of presidents and chancellors?
- 4 Should presidents and chancellors receive salary increases at a time when student fees are escalating? If those salary increases were not granted, could student fees be maintained at their current levels or even reduced?

Particularly when these discussions are conducted in a high-profile atmosphere characterized by examples of perceived abuse -- either by executives themselves or by governing boards -- the opportunity for rational and constructive dialogue becomes remote.

The Commission hopes that this context for the analysis that follows will contribute to a more constructive discussion about the policies, guidelines, and methodology for determining and reviewing the compensation levels of California’s public higher education executives. As Mr. Post implies, the policy issues surrounding compensation for higher education executives are complex because these executives function in multiple roles with mutually complementary, albeit sometimes disparate, expectations and responsibilities.

On the one hand, they manage a highly trained and experienced workforce and multi-million dollar budgets to accomplish an extraordinarily vital mission and, as such, they should be appropriately and well compensated.

On the other hand, they hold a public trust and serve the public interest and, as Mr. Post notes, “many features of public service and academic leadership provide psychic income or job satisfaction apart from monetary considerations.”

In actuality, as will be seen, these two views are reflected in the policies of California’s public systems of higher education that are described in the final sections of this report.

**The Commission's
perspective on
executive
compensation**

The Commission views the topic of executive compensation on three levels

- 1 As a small element of higher education finance, because of the relatively insignificant amount or proportion of resources invested in higher education that are dedicated to the salaries or perquisites for executives,
- 2 As a significant contribution to quality in higher education, because of the crucial role that executives play in leading campuses and setting institutional priorities, and,
- 3 As a major public relations challenge, because of its potential to generate misunderstanding and a high degree of negative emotion -- whether justified and reasoned or not -- that has the capacity to endanger public confidence and trust in the entire higher education enterprise

The Commission's activities with respect to executive compensation have concentrated, and continue to focus, on the contributions to educational quality that executives can ensure and the impact of compensation levels on the financing of higher education. To that end, the Commission has identified the following fundamental public policy issues with respect to executive compensation

- 1 What should be the criteria for setting compensation levels for higher education executives?
- 2 How should those criteria be measured and assessed?
- 3 If a comparative methodology is determined by governing boards to be the appropriate strategy for setting compensation levels, who should be the comparators and on what basis should they be selected?
- 4 How should the mutual roles and responsibilities described above be reflected in compensation levels? That is, should the comparators be other higher education executives, corporate chief executive officers, or governmental officials?
- 5 What are the standards of performance expected from higher education executives and by what criteria should compensation levels be established for incumbents?

This report and subsequent studies in this series will focus on generating discussion related to these issues

**The Commission's
responsibility
regarding executive
compensation**

The responsibility for establishing policy and setting executive compensation levels in California public higher education rests with the governing boards of each community college district and the statewide boards for the public universities. Moreover, each community college district and public university system's governing board identifies the methodology that it believes appropriate to implement its

policies and determines the specific level of compensation to be earned by each executive in the district or the system. Finally, the governing board has the responsibility of reviewing on a regular basis the salaries of its executives and deciding whether those salaries should be modified.

The Commission's primary role with respect to executive compensation is to present information on three issues: (1) the policies adopted by the governing boards, (2) the levels of compensation that have been set, and, (3) when appropriate, the extent to which those levels compare to similar institutions nationally. Additionally, through its staff, the Commission participates in discussions leading to the identification of the sets of institutions comprising the comparison groups for the California State University and University of California that are described in Parts Four and Five of this report. Finally, the Commission seeks to focus attention on those aspects of the issue of executive compensation that are relevant to the enhancement of educational quality within acceptable fiscal parameters.

Readers are encouraged to review the three remaining sections of this report from this vantage point. In so doing, executive compensation can be placed in its appropriate context within the myriad challenges and issues facing California higher education as the twenty-first century approaches.

3

Executive Compensation in the California Community Colleges

THE LEGISLATIVE DIRECTIVE to the Commission for this report did not include the California Community Colleges. However, the staff of the Chancellor's Office for the community colleges asked last year that the Commission include information on compensation at the district and statewide levels, and the Commission agreed to do so. The Chancellor's Office has similarly submitted a report for the 1994-95 year, which the Commission reproduces in Appendix A on pp. 31-42 below. Here, the Commission summarizes the content of that document and comments on the personnel configuration and salary levels in the community colleges.

Compensation for executives in community college districts

Three major configurations exist among community colleges in terms of organizational structure:

- 19 multi-college districts have chancellors as chief executive officers whose responsibilities are to administer district operations and oversee the multiple campuses in the district,
- 54 institutions within multi-college districts are administered by presidents, and,
- 52 institutions in single-college districts have superintendent/presidents as chief executive officers.

Because the complexity and scope of responsibility often varies on the basis of these structural or organizational differences, information on compensation level is presented separately for each of these three groups of executives.

Chancellors of multi-college districts: Display 1 on page 8 presents information on the base salaries received by the 19 chancellors of multi-college districts. Considerable variation exists in the level of compensation earned by these chancellors. The range spans \$54,916 -- from \$90,084 in the San Bernardino District, which consists of two colleges, to \$145,000 in the Saddleback District, which is also composed of two campuses. The mean salary received by the 19 chancellors in 1994-95 is \$118,509.

College presidents in multi-college districts: The 54 presidents of individual institutions within multi-college districts earn from \$77,784 to \$111,912 in 1994-95, as shown on Display 2 on page 8. The president of Vista College earns the lowest salary this year, while the presidents of Contra Costa and Diablo Valley Colleges earn the highest. The mean salary received by college presidents for this year is \$92,523.

DISPLAY 1 California Community College Chancellor's Salaries, 1993-94 and 1994-95

<u>District</u>	<u>1993-94</u>	<u>1994-95</u>	<u>District</u>	<u>1993-94</u>	<u>1994-95</u>
Chabot-Las Positas	\$105,000	\$105,000	Saddleback	145,000	145,000
Coast	119,309	121,696	San Bernardino	106,645	90,084
Contra Costa	128,750	133,372	San Diego	128,012	135,400
Foothill-DeAnza	125,000	128,750	San Jose-Evergreen	110,000	112,200
Grossmont-Cuyamaca	106,700	110,900	San Mateo County	110,160	112,368
Kern	107,911	112,443	State Center	124,400	125,688
Los Angeles	119,236	125,000	Ventura County	119,100	119,100
Los Rios	115,000	115,000	West Valley Mission	110,000	110,000
North Orange County	121,125	121,125	Yosemite	100,000	109,002
Peralta	119,548	119,548	Average Salary	116,889	118,509

Source Adapted from material submitted by the Chancellor's Office, California Community Colleges

DISPLAY 2 California Community College President's Salaries, 1994-95

<u>College</u>	<u>1994-95 Salaries</u>	<u>College</u>	<u>1994-95 Salaries</u>	<u>College</u>	<u>1994-95 Salaries</u>
American River	\$94,215	Fresno City	93,432	Modesto Junior	84,697
Bakersfield	94,046	Fullerton	89,301	Moorpark	96,471
Cajalada	99,984	Golden Wes	94,911	Orange	93,349
Cerro Coso	86,009	Grossmont	94,830	Oxnard	101,592
Chabot	83,883	Irvine Valley	92,225	Porterville	82,542
Coastline	94,911	Kings River	94,188	Sacramento City	95,136
College of Alameda	81,624	Laney	87,456	Saddleback	92,225
College of San Mateo	99,984	Las Positas	83,683	San Bernardino Valley	81,144
Columbia	83,529	Los Angeles City	91,898	San Diego City	97,536
Contra Costa	111,912	Los Angeles Harbor	91,898	San Diego Mesa	97,536
Cosumnes River	95,993	Los Angeles Mission	83,873	San Diego Miramar	97,536
Crafton Hills	82,776	Los Angeles Pierce	93,020	San Jose City	100,922
Cuyamaca	89,409	Los Angeles Southwest	91,167	Skyline	99,984
Cypress	89,301	Los Angeles Trade-Technical	91,898	Ventura	96,471
De Anza	95,790	Los Angeles Valley	82,750	Vista	77,784
Diablo Valley	111,912	Los Mendanos	106,734	West Los Angeles	93,020
East Los Angeles	91,898	Merritt	84,975	West Valley	85,000
Evergreen Valley	96,116	Mission	96,000	Average Salary	92,523
Foothill	95,790				

Source Adapted from material submitted by the Chancellor's Office, California Community Colleges

Superintendent/presidents of single-college districts The average salary of the 52 superintendent/presidents in 1994-95 is \$99,680, with a range from \$83,120 to \$138,166, as indicated on Display 3 below. The lowest salary is received by the superintendent/president of the Mendocino-Lake District, with the highest salary paid in the San Francisco District.

Display 4 on page 10 summarizes the range and mean compensation levels for

DISPLAY 3 *California Community College President/Superintendent's Salaries, 1993-94 and 1994-95*

<u>College</u>	<u>1993-94</u>	<u>1994-95</u>	<u>College</u>	<u>1993-94</u>	<u>1994-95</u>
Allan Hancock	\$95,000	\$97,400	Mt. San Jacinto	90,900	90,900
Antelope Valley	105,404	82,137	Napa Valley	93,351	98,244
Barstow	84,000	84,000	Palomar	111,175	113,621
Butte	95,765	95,766	Palo Verde	89,500	89,500
Cabrillo	95,000	109,140	Pasadena	115,000	117,300
Cerritos	115,000	115,000	Rancho Santiago	105,496	105,496
Chaffey	102,940	95,000	Redwoods	93,500	93,500
Citrus	97,319	97,319	Rio Hondo	104,635	104,635
Compton	95,000	96,000	Riverside	115,000	115,000
Desert	91,575	91,575	San Francisco	119,500	138,166
El Camino	108,000	108,400	San Joaquin Delta	110,864	110,854
Feather River	85,500	88,500	San Luis Obispo	93,358	92,275
Fremont-Newark	104,756	90,874	Santa Barbara	98,439	98,425
Gavilan	100,000	95,000	Santa Clarita	105,000	105,000
Glendale	104,000	104,000	Santa Monica	129,669	131,614
Hartnell	96,831	98,768	Sequoias	98,584	98,583
Imperial	83,513	83,513	Shasta-Tehama-Trinity	99,500	99,500
Lake Tahoe	84,975	84,975	Sierra Jt	98,950	100,449
Lassen	84,609	83,000	Siskiyou	81,200	83,120
Long Beach	100,000	100,000	Solano	87,825	99,500
Marin	95,000	95,000	Sonoma	119,100	114,648
Mendocino-Lake	80,400	83,120	Southwestern	110,223	110,224
Merced	92,880	92,880	Victor Valley	113,220	113,200
Mira Costa	102,832	96,069	West Hills	87,000	93,090
Monterey Peninsula	90,698	90,660	West Kern	87,675	87,675
Mt. San Antonio	123,900	123,900	Yuba	111,490	98,000
			Average Salary	99,713	99,680

Source: Adapted from material submitted by the Chancellor's Office, California Community Colleges.

**DISPLAY 4 Salaries of Chief Executives
in California Community Colleges, 1994-95**

	Chancellors of Multi College Districts	Presidents in Multi-College Districts	President/ Superintendents of Single College Districts
Number	19	54	52
Minimum Base Salary	\$90,084	\$77,784	\$83,120
Maximum Base Salary	\$145,000	\$111,912	\$138,166
Range of Salary	\$54,916	\$34,128	\$55,046
Mean Base Salary	\$118,509	\$92,523	\$99,680
Average Change from 1993-94 to 1994-95	+\$1,620	--*	-\$33

* Information on presidents' salaries not reported for 1993-94

Source Adapted from material submitted by the Chancellor's Office, California Community Colleges

these groups of chief executive officers by structural configuration. The information in this display suggests that

- ♦ Executives with districtwide responsibility -- either in a multi- or a single-college configuration -- earn more, on average, than institutional presidents
- ♦ Not only are average salaries higher for district executives, but both the minimum and maximum salaries are larger as well
- ♦ More variation exists in salaries for district executives than institutional presidents

In summary, the allocation of resources displayed at the left suggest that responsibilities at a district level are viewed as meriting more compensation than administrative duties at a single college

**Trends
in compensation
levels in community
college districts**

Observable trends in compensation paid to executives over the past two years are

- ♦ Salaries for 12 chancellorial positions were modified between the 1993-94 and 1994-95 years. In all but one case, these salary levels were increased. This resulted in an overall average increase for the 19 chancellorial positions of \$1,620 in this time period -- an upward adjustment, on average, of approximately 1.4 percent
- ♦ Because information was not reported on salaries for presidents in multi-college districts during 1993-94, no trend analysis was possible
- ♦ Of the 52 presidential/superintendent positions in single-campus districts, salaries changed in approximately half of them. In 16 positions, salaries increased, in 11, compensation levels decreased. Some of these changes -- in both directions -- were quite significant given that only one year had elapsed, however, no information was presented in the report on the circumstances resulting these changes. Among those districts adjusting executive salaries dramatically were Antelope Valley, Cabrillo, Chaffey, Fremont-Newark, MiraCosta, San Francisco, Solano, and Yuba. As a result of these changes, the mean compensation for president/superintendent positions decreased by \$33 over the last two years. However, there was no change in compensation level over the last year in about half of these positions

**Compensation
for systemwide
executives**

The Chancellor's Office of the California Community Colleges is considered to be part of State government. As such, the rules, regulations, and procedures that apply are those set by the Department of Personnel Administration, the State Per-

sonnel Board, and the Department of Finance rather than those under the purview of the Board of Governors -- the statewide governing board of the community colleges

Classification of executives and managers in the Chancellor's Office fall under two State Civil Service designations (1) exempt positions, whose incumbents are "appointed by the Governor" and for whom no permanent civil service status or tenure exists, and (2) Career Executive Assignment (CEA) positions, in which the incumbent is a State employee serving at the discretion of a supervisor, upon removal, the incumbent may return to a previously held permanent civil service classification

Display 5 below presents information on the designations and salaries of the 11 executive positions currently filled in the Chancellor's Office. As this display indicates, six of the positions are presently designated as exempt, with the incumbents not being permanent civil servants. According to the community college report, "exempt salaries were determined by DPA {Department of Personnel Administration} based upon the compensation equivalent to the employee's compensation at the college or district office they left." Five executive-level positions carry CEA designations, with the incumbents having permanent civil service tenure and their salaries and they "acquired the salary placement equivalent to other State service executive positions."

Two organizational changes have occurred at the executive level in the Chancellor's Office since the Commission's last report on executive compensation.

DISPLAY 5 Designated Compensation for California Community College Chancellor's Office Executive Staff, 1993-94 and 1994-95

<u>Title</u>	<u>Designation</u>	<u>1993-94 Salary</u>	<u>1994-95 Salary</u>
Chancellor	Exempt	\$106,404*	\$115,068*
Deputy Chancellor	Exempt	95,400*	103,176*
Vice Chancellor-Administration and Fiscal Policy	Exempt	91,224*	98,652*
Vice Chancellor-Legal Affairs and Contracts	Career Executive Assignment	84,192	91,056
Vice Chancellor-Human Resources	Exempt	83,952*	90,792*
Vice Chancellor-Economic Development / Vocation Education	Exempt	83,952*	90,792*
Vice Chancellor-Student Services and Special Programs	Exempt	74,664*	90,792*
Vice Chancellor-Curriculum and Instructional Resources	Career Executive Assignment	74,508	80,580
Vice Chancellor-Policy Analyses and Development	Career Executive Assignment	74,508	80,580
Vice Chancellor-Governmental Relations	Career Executive Assignment	67,788	73,308
Vice Chancellor-Management Information Systems	Career Executive Assignment	67,788	73,308
Mean Salary of Vice Chancellors		78,064	85,540

*Salaries listed do not reflect the reduction of approximately 5 percent in actual compensation.

Source: Adapted from material submitted by the Chancellor's Office, California Community Colleges

- ♦ While the incumbent remains the same, the Deputy Chancellor now occupies an exempt position, whereas previously he had been on an Interjurisdictional Exchange -- a loan from a district to the Chancellor's Office, and,
- ♦ The position of Vice Chancellor - Strategic Issues and Resource Development has been eliminated

Compensation of the chancellor The chancellor's designated base salary is \$115,068. Because the Chancellor's Office is a State government agency subject to the policies of State Civil Service, the chancellor is not eligible to participate in any deferred compensation program beyond that to which every State employee is entitled. The chancellor receives health, welfare, and retirement benefits identical to those for all exempt State service employees. He receives no housing allowance, but he does have the use of a State car for the conduct of State business, and, as a State employee, he receives General Fund revenue on a reimbursement basis to cover travel costs which were incurred on State business. No information is available from the report in Appendix A about the existence or extent of any other expense allowance.

Compensation of the deputy chancellor As mentioned earlier, the deputy chancellor is now an exempt employee who earns \$103,176. He receives the same health, welfare, and retirement benefits as other exempt State employees.

Compensation of vice chancellors The nine vice chancellors who comprise the remainder of the executive staff have designated compensation levels ranging from \$73,308 to \$98,652, with a range of \$25,344. In 1994-95, their average compensation was \$85,540. They receive the same health, welfare, and retirements benefits as other State managers, and they have the use of a State car when conducting State business.

Trends in executive compensation in the Chancellor's Office

Three trends are apparent about the compensation of these various executives:

- ♦ Because all of them are State employees, changes in their compensation levels are determined by State regulations and procedures, and since the last report, the State has authorized merit-based adjustments in compensation for both CEAs and exempt employees who received a satisfactory performance appraisal from their supervisor. In total, the statewide maximum for the two merit-based adjustments amounts to 8 percent. As Display 5 indicates, each systemwide executive received performance reviews meriting the maximum increase in compensation.
- ♦ The position of vice chancellor-student services and special programs was reclassified since the last report. As such, the incumbent received an additional increase in compensation beyond the 8 percent allocated to all CEAs and exempt employees on a merit basis.
- ♦ Although the chancellor received the maximum adjustment of 8 percent and

has a current base salary of \$115,068, his salary lags that of chancellors of multi-college districts, on average, by \$3,862, or 3.4 percent. On the other hand, the community college report indicates that the recent increases in compensation for other systemwide executives now place their salaries on a par with their counterparts at the district and college levels.

**Commission
comments
on executive
compensation
in the California
Community
Colleges**

Displays 1 through 3 illustrate the fundamental principle underlying executive compensation in the California Community Colleges — district autonomy and flexibility. Unlike California's public universities, whose governing boards set compensation levels for campus faculty and executives on a systemwide basis, responsibility for determining and reviewing compensation for both faculty and executives of the community colleges is vested in each of the 71 district's governing board. Each district makes its own determination of appropriate compensation levels, presumably based upon its financial condition, performance of the incumbent, measures of local costs of living, and governing board prerogatives.

The Commission recognizes the advantages and value of local decision-making and district autonomy within the community colleges. Among the advantages is that flexibility and autonomy provide the opportunity for community colleges to meet the unique needs of their students and community on a programmatic basis. However, with respect to executive compensation, local autonomous decision-making continues to raise policy concerns that need to be addressed if the community colleges are to be viewed as a higher education "system," as called for in Assembly Bill 1725 of 1988. Among the anomalies created by local decision-making on executive compensation are

- Compensation levels within executive types (chancellors, presidents, superintendent/presidents) do not seem to be related to district or college size, program offerings, or other quantifiable measure, and,
- The presidents/superintendents of several single-college districts and even presidents within multi-college districts are compensated at nearly the same or higher levels as chancellors in multi-college districts -- a counter-intuitive notion when viewing compensation levels as related to degree of responsibility.

While solid rationales may exist for these anomalies, the information contained in these displays raises questions about the efficacy and equity of executive compensation policies within the community colleges. In short, there does not appear to be any rationale on a statewide basis for the establishment of compensation levels for community college executives.

In its report, *Choosing the Future*, the Board of Governors' Commission on Innovation presented an action agenda to move the community colleges into the next century, including (1) creation of a statewide system of compensation for community college faculty and administrators, and (2) removal of the Chancellor's Office from the State Civil Service System and its placement under the Board of Governors. The California Postsecondary Education Commission views the first of these

two recommendations as deserving immediate discussion among the various community college constituencies to determine its advantages and disadvantages in terms of fiscal, governance, personnel, and programmatic considerations. Among actions that might be considered in such a discussion is the possibility of establishing statewide policies and compensation level parameters that could inform and guide the actions of local boards of trustees as they determine the specific salaries of their chief executive officers.

With respect to compensation for systemwide executives, the elimination of Interjurisdictional Exchanges over the past year has reduced the complexity of the personnel configuration and resultant salary schedules in the Chancellor's Office. The Commission continues to support the efforts of the Chancellor's Office in simplifying and reducing the complexity of its personnel arrangements, including eliminating the disparity in compensation levels of as much as 13 percent among vice chancellors with similar levels of responsibility -- disparities due seemingly only to a position's designation as Exempt or CEA.

Further, the Commission views the Commission on Innovation's recommendation to remove the Chancellor's Office from the State Civil Service System and place it under the Board of Governors as worthy of consideration. In the Commission's planning document, *The Challenge of the Century*, the Commission has recommended that a high priority in improving statewide collaboration is to identify ways to vest greater policy and governance authority in the Board of Governors. One step in that direction would be for the Board of Governors to assume full responsibility for the Chancellor's Office, including the capacity to develop its own personnel structure and set appropriate compensation levels. This placement of the Chancellor's Office directly under the Board of Governors would have the potential advantage of resulting in greater clarification of its responsibilities and more centralized locus of accountability for its actions.

4

Executive Compensation in the California State University

THE CALIFORNIA State University's report on executive compensation — reproduced in Appendix B on pp 43-47 -- describes the State University's policies as well as the specific compensation levels that it has set for campus presidents and systemwide executives effective as of February 1, 1995. In addition, it presents information on presidential salaries at comparison institutions nationally. Here, the Commission summarizes and comments on that report.

State University's current executive compensation policy

In September 1993, the Trustees adopted an executive compensation policy "to maintain a competitive market position and recognize individual performance." Specifically for campus presidents, this policy calls on the State University to

- ♦ Establish compensation levels for presidents based upon the average compensation received by the chief executives at the 20 campuses that the Commission uses for faculty salary comparisons,
- ♦ Set the average total cash compensation for State University presidents at approximately the mean of the presidential salaries at the comparison institutions,
- ♦ Determine the actual compensation paid to individual presidents on the basis of "mission, scope, size, complexity, and programs of each campus" in addition to an appraisal of individual performance and experience as well as recruitment and retention experience. Appraisal of presidential performance will include information "on general administrative effectiveness, working relations within the system and campus, educational leadership and effectiveness, community relations, personal characteristics, and management performance, diversity of faculty, staff and students, graduation and retention rates of students, institutional advancement, including fund raising, and maintenance and preservation of the State's financial investment in the physical plant." While performance reviews will continue to occur triennially, the Trustees have agreed to permit greater participation in the process by various campus constituencies. Henceforth, upon completion of a review, the Chancellor will issue an open letter to the campus detailing the major findings of the review and establishing goals for president for the next period.
- ♦ Consider regional cost-of-living differentials in setting the housing allowance for presidents at different campuses, and,
- ♦ Commit to open and full discussions on matters of executive compensation.

The Trustees' policy further stipulates that systemwide executives should have

their compensation levels established on the basis of an appraisal of their performance and experience as well as comparable levels of compensation for individuals in similar positions nationally. Housing allowances for systemwide executive entitled to them should be based upon regional housing costs.

Display 6 below presents information on the compensation received by presidents

DISPLAY 6 Compensation for California State University Presidents, 1993-94 and 1994-95

<u>Campus</u>	<u>Base Salary Prior to April 1994</u>	<u>Base Salary as of April 1994¹</u>	<u>Base Salary as of February 1995</u>	<u>Housing Allowance or Provision²</u>
Bakersfield	\$118,212	\$130,033	\$130,033	\$12,000
Chico	115,956	121,752	121,752	18,000
Dominguez Hills	116,760	127,268	127,268	15,000
Fresno	115,956	132,189	132,189	Provided
Fullerton	115,956	128,711	128,711	Provided
Hayward	115,956	129,870	129,870	18,000
Humboldt	122,880	132,096	132,096	12,000
Long Beach	117,768	117,768	142,008	Provided
Los Angeles	124,020	136,422	136,422	18,000
Monterey Bay	n/a	n/a	142,008	18,000
Northridge	134,800	138,844	138,844	Provided
Pomona	115,956	125,232	125,232	Provided
Sacramento	124,020	140,142	140,142	18,000
San Bernardino	118,764	128,265	128,265	15,000
San Diego	122,292	136,967	136,967	18,000
San Francisco	120,012	134,413	134,413	30,000
San Jose	115,956	124,072	132,600	18,000
San Luis Obispo	124,020	146,343	146,343	Provided
San Marcos	115,956	122,913	122,913	22,800
Sonoma	117,960	127,632	127,632	15,000
Stanislaus	<u>128,304</u>	<u>128,304</u>	<u>133,008</u>	15,000
Mean Salary	\$120,075	\$130,462	\$132,796	

1 Adopted by the Board of Trustees on January 26, 1994

2 Includes General Fund and non-General Fund allowances.

Source Adapted from material submitted by the Office of the Chancellor, the California State University

of the State University at three points in time during the last two years: (1) prior to April 1, 1994, (2) as of April 1, 1994, when all presidents with regular appointments received an upward adjustment, and (3) as of February 1, 1995. That information may be summarized as follows:

Compensation prior to April 1, 1994 Through the first three-quarters of the 1993-94 fiscal year, presidential salaries ranged from \$115,956 at the Chico, Fresno, Fullerton, Hayward, Pomona, San Jose, and San Marcos campuses to \$134,800 at Northridge. The mean salary for all 20 presidents was \$120,075.

Compensation as of April 1, 1994 As Display 6 indicates, 18 of the presidents -- those who have regular appointments -- received base salary increases as of April 1994 that reflected the policy approved by the Trustees at their January 1994 meeting. The adjustments averaged \$10,387, or an 8.7% average increase per presidential position, although the adjustments were made on an individual basis, with each receiving a differential adjustment. The base salary for regularly appointed State University campus chief executives ranged from \$121,753 at Chico to \$146,343 at San Luis Obispo, or a \$24,590 span as of April 1, 1994.

The mean base salary for all presidents, including the two current interim presidents at Long Beach and Stanislaus, was \$130,462

Compensation as of February 1, 1995 Since April 1, 1994, new presidents have been appointed at the Long Beach, Monterey Bay, San Jose, and Stanislaus campuses. As a consequence solely of the adjustments in presidential salaries at these campuses, the mean compensation level for State University presidents rose to \$132,796 as of February 1, 1995, with the same previous range.

In addition to base salaries, State University presidents receive assistance with housing expenses because they conduct "essential business and institutional advancement" activities in their homes. The State University either provides housing or a housing allowance that is adjusted based upon the regional cost-of-living differentials in the California housing market. As Display 6 shows, six presidents -- those at Fresno, Fullerton, Long Beach, Northridge, Pomona, and San Luis Obispo -- live in homes provided by the State University, while the remaining 15 receive housing allowances ranging from \$12,000 at Bakersfield and Humboldt to \$30,000 at San Francisco. The mean housing allowance currently is \$17,320 from both State General Funds and other sources.

State University presidents receive three additional perquisites:

1. A State-owned automobile for business purposes,
2. Standard health, welfare, and retirement benefits that are similar to those received by all management employees in the system, and,
3. A reimbursable entertainment allowance of \$3,600 a year maximum to defray the cost of State University business expenses.

These prerequisites are among the most common offered to executives at comparable institutions nationally, according to a survey by consultants for the State University that the Commission discusses on the next page.

*Trends
in compensation
levels on State
University
campuses*

Three trends are evident from the preceding information:

- ♦ The predominant trend is that the average compensation level for State University presidents has increased by 10.6 percent since the third quarter of the 1993-94 year. For sitting presidents, the increase became effective on April 1, 1994. No adjustments have been made since that time, and none are expected through the 1994-95 year.
- ♦ At the three existing campuses where new presidents were hired since the last report, all presidential compensation levels increased -- particularly at the Long Beach campus, where annual compensation rose by \$24,240.
- ♦ The presidential salary at the new Monterey Bay campus was set at \$142,008, which is the second highest in the system.

**State University
presidential
compensation
compared to that
at similar
institutions
nationally**

For several years, the Commission has analyzed the relationship between the compensation received by State University presidents and their counterparts at a set of 20 institutions nationally that the Commission uses for comparing faculty salaries

Arizona State University	Public
Bucknell University	Independent
Cleveland State University	Public
George Mason University	Public
Georgia State University	Public
Illinois State University	Public
Loyola University-Chicago	Independent
North Carolina State University-Raleigh	Public
Reed College	Independent
Rutgers University-Newark	Public
State University of New York, Albany	Public
Tufts University	Independent
University of Colorado, Denver	Public
University of Connecticut	Public
University of Maryland, Baltimore	Public
University of Nevada, Reno	Public
University of Southern California	Independent
University of Texas, Arlington	Public
University of Wisconsin, Milwaukee	Public
Wayne State University	Public

In the past, the State University has gathered information on executive compensation at these comparison institutions through the annual survey conducted by the College and University Personnel Association (CUPA). For this report, however, the State University contracted with William M. Mercer, Inc., to collect this information. A copy of the Mercer report is available from the Chancellor's Office.

Nineteen of the 20 comparison institutions provided information on the compensation paid to their chief executive officer for the 1994-95 year. The mean annual salary at the reporting institutions of the comparison set was \$162,728, with a range from \$112,000 to \$245,000.

The executive compensation policy of the State University calls for its average presidential salary to be set at approximately the mean of the salary of chief executives at the 20 comparable institutions nationally. In comparing the \$162,728 mean presidential salary of the 19 responding institutions with that of the State University's presidents as of February 1, 1995 (\$132,796), the State University presidents earned \$29,932 less than their counterparts. No State University president received a salary comparable to the mean at the comparison institutions, and the average salary for State University presidents lagged the average of their comparators by 22.5 percent.

**Compensation
for State
University
systemwide
executives**

The executive staff in the Office of the Chancellor at the State University consists of seven positions. Display 7 below presents information on the compensation associated with the positions last year and this past February.

The chancellor receives an annual salary of \$175,000 and is the only State University employee to participate in a deferred compensation program in the amount of \$10,000 from non-General Fund sources. Salaries for the other executive staff range from \$125,688 for the Vice Chancellor - University Advancement to \$138,504 for the Executive Vice Chancellor.

Other benefits that accrue to executive staff in the Office of the Chancellor include:

- 1 Housing that is provided or a housing allowance for the chancellor, executive vice chancellor, and senior vice chancellor,
- 2 An automobile that is provided to the chancellor and automobile allowances of \$9,000 per year for the executive and senior vice chancellors,
- 3 Health, welfare, and retirement benefits similar to those of the State University's management staff, and,
- 4 A maximum of \$3,600 per year reimbursable entertainment allowance for the chancellor and a maximum of \$1,000 a year in reimbursable expenses for the six other executives.

DISPLAY 7 Compensation of State University Systemwide Executive Staff, 1993-94 and 1994-95

<u>Title</u>	<u>April 1, 1994 Base Salary</u>	<u>February 1, 1995 Base Salary</u>	<u>Housing Allowance or Provision¹</u>	<u>Car Allowance or Provision²</u>
Chancellor ³	\$175,000	\$175,000	Provided	Provided
Executive Vice Chancellor	\$138,504	\$138,504	\$18,000	\$9,000
Senior Vice Chancellor, Academic Affairs	\$131,502	\$131,502	\$18,000	\$9,000
Vice Chancellor, Business and Finance	\$135,000	\$135,000	0	0
Vice Chancellor, Human Resources/Operations	\$120,504	\$130,008	0	0
Vice Chancellor, University Advancement	\$120,504	\$125,688	0	0
Interim General Counsel	\$129,996	\$133,000	0	0

1 Includes General Fund and non-General Fund allowances.

2 Executive staff without a specified allowance may use a state-owned vehicle for business purposes.

3 Also receives an additional \$10,000 in non-State deferred compensation.

Source: Adapted from material submitted by the Office of the Chancellor, the California State University.

*Trends in
compensation in the
statewide
Chancellor's Office*

Three trends are evident from the preceding information:

- The only adjustment in compensation for an executive who was a permanent employee at the time of the last report was a merit/equity increase for the vice chancellor, human resources/operations. Her salary rose from \$120,504 to \$130,008.

- ♦ The Interim Vice Chancellor, University Advancement received an increase of \$5,184 when he became a permanent employee this past year
- ♦ The new Interim General Counsel earns approximately \$3,000 more than her predecessor

**Commission
comments
on executive
compensation
in the State
University**

The Trustees' current policy establishes executive compensation levels and adjustments to those levels that appear to reflect judgments made on an individual basis, taking into account variations among campuses and presidential experience, longevity, and performance. The Commission views this change in policy as desirable and consistent with its recommendation in *Executive Compensation in California's Public Universities 1992-93*, that encouraged the systems to "delineate the factors that influence the development of, and differences between, compensation packages for their executives" (p. 2). The Commission believes that this change reflects a more understandable, deliberate, and rational strategy for setting, reviewing, and adjusting executive compensation levels.

Clearly, the information in this report demonstrates that the salaries of State University presidents lag significantly their comparators nationally. In its last analysis, the Commission noted that the reported lag of 11.1 percent was probably an underestimate due to differences in reporting time periods; indeed, the lag for 1994-95 is 22.5 percent, despite the recent adjustments to all presidential salaries and the inclusion of salaries paid to new presidents that are higher than the systemwide mean. Making progress in reducing this lag is a high priority of the State University. The Commission supports this effort, particularly given the system's demonstrated commitment to diversify the composition of its executive leadership staff -- a commitment that the Commission shares. However, the commitment to recruit and retain qualified candidates who reflect the diversity of the State places the State University in a fierce national competition because of the unfortunate fact that still too few individuals from Asian, Black, Latino, and Native American backgrounds, as well as White women and people with disabilities, have the traditional range and pattern of experience regarded by search committees as meeting the standard recruitment criteria for presidential positions. Therefore, the difference in salaries between the State University and its comparison institutions may limit it from continuing to attract not only strong and competent leaders in general, but those from diverse backgrounds in particular.

Despite the strides made by the State University in developing, implementing, and articulating a rational and thoughtful executive compensation policy, the Commission is concerned about the recent trend in compensation levels for new presidents for two reasons:

- ♦ As the State University will have further opportunities to select new presidents, consideration of equity in compensation levels between existing and new campus executives should continue to be an integral part of its salary setting process. Clearly, recruiting fresh talent to the system should be a high priority, likewise, retaining strong and competent leaders should be an equal priority.

for the system, particularly given the disparity between the State University's compensation levels and those of its national comparison institutions

- ♦ Externally, the higher salaries paid to new presidents may raise questions with respect to executive compensation. With student fees escalating, perceived lack of course offerings, continued deferred maintenance, and the tendency to search for simple solutions to complex challenges, the perception that the system is paying higher salaries for new presidents rather than holding or reducing this particular expenditure category could become an issue for the State University. While not supporting this perspective, the Commission is concerned about the potential for misunderstanding of the State University's recent actions in this area, given the recent volatile history of academic executive compensation in California.

The Commission acknowledges that these comments could be construed as a mixed message to the State University with respect to executive compensation. On the one hand, it commends the system's efforts to date in establishing a more understandable and rationale policy than existed in the past for setting and adjusting presidential salaries and for recruiting a qualified and diverse cadre of leaders, despite the system's competitive disadvantage because of the salary disparities noted above. On the other hand, the Commission recognizes the potential internal challenges in this area that may loom for the system and the omnipresent external specter of resentment that executive compensation can generate. The Commission expects that the system will continue its progress in building a strong leadership team, yet will be cautious in its actions -- ever mindful of the inherent ambivalence today among the public and policy makers with respect to higher education costs in general and those for executive compensation in particular.

5

Executive Compensation at the University of California

THIS LAST SECTION of the Commission's report presents information on the current executive compensation policy of the University of California, the compensation currently received by the University's nine campus chancellors compared to that received by similar executives in comparable institutions nationally, and the compensation provided to the executive staff in the Office of the President. Information for this section is based upon the University's report, which is reproduced in Appendix C on pp. 49-54 of this document.

The University's policy on executive compensation

As the Commission has previously noted in its reports in this series, the University changed its executive compensation policy substantially between 1992 and 1994. The major changes include eliminating deferred compensation and several supplemental perquisites, requiring chancellors to live in University-provided housing, if available, or receive a housing allowance, reducing the rate of insurance coverage available to executives participating in the Executive Life Insurance Program, and, eliminating extended paid leaves for executives transferring from administration to the professoriate.

In terms of setting salary levels, the University's policy on executive compensation is similar in several respects to that of the State University:

- Compensation should "serve to maintain a competitive market position and recognize individual performance."
- The methodology to set and review compensation levels includes an analysis of market surveys of chief executives in comparable institutions nationally, review of relationships internal to the University, and recruitment and retention experience.
- The mean compensation for chancellors should approximate that of the average for chief executives at comparable institutions nationally, with the actual amount of compensation received by an individual chancellor determined by the "scope, size, complexity, and quality of each campus" as well as the performance and experience of the chancellor.

In addition, the University's policy contains two additional aspects:

- It states "compensation programs shall be clear and simple to enhance internal and external understanding of the basis for and components of compensation."
- It assumes creation of internal relationships among and between the set of chancellor positions and executive positions at the systemwide level.

Compensation for University chancellors

Display 8 below details the total compensation received by the nine chancellors in January of 1994 and as of February 1995. Salaries for University chancellors as of February 1995 ranged from \$165,000 for the chief executives at Riverside and Santa Cruz to \$204,900 at UCLA — a difference of nearly \$40,000. The mean compensation for all nine chancellors was \$187,500, if the salary of the chancellor

at the exclusively health-science campus in San Francisco is excluded from the calculation, the mean for the remaining eight was \$181,413 as of February 1995.

DISPLAY 8 Compensation for Chancellors at the University of California as of January 1994 and February 1995

Campus	Compensation January 1994 ¹	Compensation February 1995	Special University Housing Provided
Berkeley	\$191,500	\$191,500	Yes
Davis	181,600 ²	180,600	Yes
Irvine	179,900	179,900	Yes
Los Angeles	204,900 ²	204,900 ³	No ⁴
Riverside	165,000	165,000	Yes
San Diego	189,400 ²	189,400	Yes
San Francisco	240,000	240,000	Yes
Santa Barbara ⁴	178,300 ²	175,000	Yes
Santa Cruz	165,000	165,000	Yes
Mean	\$188,400	\$187,900	

1 Subject to the annualized 3.5 percent temporary salary reduction in effect at the University in 1993-94 for which employees receive an equivalent credit at retirement or separation under the Capital Accumulation Provision account.

2 The chancellors at Los Angeles and San Diego and the former chancellors at Davis and Santa Barbara participated in a non-deferred income program (NDIP) which expired on January 1, 1994.

3 The UCLA chancellor's SSR 1 benefit is a lump-sum payment equal to 10 percent of one-twelfth of the highest average plan compensation, for the number of months served as chancellor and is discounted to present value. An additional benefit — SSR 2 — indemnifies UCLA's chancellor for the difference between retirement benefits under the applicable University defined benefit retirement plan and the maximum benefits permitted by Internal Revenue Code Sections 401(a)(17) and 415. These benefits are at risk until 1999.

4 The UCLA chancellor receives an annual non-State funded housing allowance of \$41,710, rather than University housing.

Source: Adapted from material submitted by the Office of the President, University of California.

In addition to their base salary, University chancellors received the following benefits:

- The chancellors who previously participated in the deferred compensation program for five or more years and, therefore, are vested in the program will receive, upon retirement or a departure from the University, The UCLA chancellor will receive \$27,542 and the UCSD Chancellor will receive \$20,634. Support for this benefit comes from non-General Fund revenue.
- The chancellor at the Los Angeles campus -- if he remains chancellor until 1999 -- will receive, upon retirement or departure from the University, a lump-sum payment computed on the basis of his highest average plan compensation because he participates in a Special Supplemental Retirement Program. Support for this program is from non-State funds.
- Eight chancellors live in University-owned housing; one chancellor receives a \$41,710 per year housing allowance.
- All chancellors have University-leased automobiles, or receive a cash allowance in lieu of a vehicle.
- All chancellors receive health, welfare, and retirement benefits identical to those available for all permanent University employees, and,
- Chancellors receive reimbursement for expenses incurred in conjunction with University business through procedures consistent with University and Administrative Fund guidelines.

The perquisites of University chancellors are among the most common provided to executives at com-

comparable institutions nationally, according to a survey that the University commissioned which is discussed below

*Trends in
compensation levels
on University
campuses*

Each time the University hired a new chancellor in the last three years, it has decreased the salary for that position. Display 8 shows the decline in compensation level for the new chancellors on the Davis and Santa Barbara campuses who were hired since the last report. In the previous year, new chancellors were hired at the Irvine and San Francisco campuses at levels below those of their predecessors. The effect of these decisions is that, as of February 1995, the mean salary for the nine chancellors is \$867 less than two years ago.

**University
chancellors'
compensation
compared
to that at similar
institutions
nationally**

In analyzing the comparability of the compensation for University chancellors with that received by chief executives at comparable universities nationally, the Commission has used two sets of institutions over the past few years: (1) the same eight institutions that comprise the faculty-salary comparison group and (2) an "all university" set of 26 institutions -- 14 public and 12 independent -- that the Commission and University have agreed is an appropriate group for comparing executive compensation. The "all-University" set includes, but expands, the faculty-salary comparison group.

The "all university" comparison group includes these institutions (with the eight faculty-salary comparison institutions asterisked)

Brown University	Independent
California Institute of Technology	Independent
Columbia University	Independent
Duke University	Independent
Harvard University*	Independent
Johns Hopkins University	Independent
Massachusetts Institute of Technology*	Independent
Northwestern University	Independent
Stanford University*	Independent
State University of New York (Buffalo)*	Public
State University of New York (Stony Brook)	Public
University of Colorado (System)	Public
University of Colorado (Boulder)	Public
University of Illinois (Chicago)	Public
University of Illinois (Urbana)*	Public
University of Michigan*	Public
University of Minnesota	Public
University of Pennsylvania	Independent
University of Texas (Austin)	Public
University of Virginia*	Public
University of Washington	Public
University of Wisconsin	Public
Yale University*	Independent

*Comparisons
with the "all
university" group
of 26*

The report provided by the University includes information assembled by William M. Mercer, Inc., under contract to the University on the comparison institutions. A copy of that report is available from the Office of the President.

The University's policy establishes the mean of the compensation received by the chief executives in the "all-university" set of institutions as the appropriate average compensation to be paid to its chancellors. Of the 26 institutions that comprise the "all university" set, 23 responded to the Mercer survey. These chief executives received compensation ranging from \$113,000 to \$315,200 -- a span of \$202,200 -- with a mean of \$202,580 in 1994. As of February 1995, the University of California's chancellors received, on average, a base salary of \$187,900, or \$14,680 less than the mean salary paid to their comparable chief executives nationally. Further, only chancellors at the Los Angeles and San Francisco campuses received a salary equal to the mean for their comparators. In percentage terms, mean salaries for the nine University chancellors lagged their comparators by 7.8 percent, when the chancellorial position at San Francisco is eliminated from the calculation of the mean, the lag rises to 11.7 percent.

*Comparisons
with the eight
faculty-salary
comparison group*

For the eight faculty salary institutions, the mean compensation for chief executives in 1994 was \$213,700. When compared with the \$187,900 for University chancellors as of February 1995, the difference amounts to an average of \$25,800 -- a lag of 13.7 percent. When the chancellorial position at San Francisco is omitted from the calculation of the mean, the lag increases to 17.8 percent.

**The University's
internal alignment
of compensation
levels among its
executives**

One of the principles in the University's executive compensation program holds that internal relationships and alignment should exist between compensation for chancellors and executives in the systemwide Office of the President. Display 9 below illustrates that functional alignment and provides the current compensation associated with each of the levels.

DISPLAY 9 *Internal Alignment Among University Executives and Their Associated Compensation Levels as of February 1995*

PRESIDENT - \$243,500	
CHANCELLORS ON LARGE CAMPUSES	
Berkeley - \$191,500	• Los Angeles - \$204,900
SENIOR VICE PRESIDENTS	
Academic Affairs - \$190,000	• Business and Finance - \$187,500
CHANCELLORS ON MEDIUM-SIZED CAMPUSES	
Davis - \$180,600	• San Diego - \$189,400 • Irvine - \$179,900 • Santa Barbara - \$175,000
VICE PRESIDENTS	
Agriculture - \$172,900	• University and External Relations - \$180,000 • Health Affairs - \$178,100
CHANCELLORS ON SMALL CAMPUSES	
Riverside - \$165,000	• Santa Cruz - \$165,000

Source: Adapted from materials submitted by the Office of the President, University of California.

**Compensation
for executives in
the Office of the
President**

The executive staff at the University's Office of the President described in this report includes ten positions. Display 10 details the compensation received by the incumbents in these ten positions.

The University's president receives a base salary of \$243,500 and was the only employee discussed in this report who continued after December 31, 1993, to participate in a deferred compensation program with a face value of \$36,500 per year. However, President Peltason indicated last year that he would no longer participate in this program. Because of that decision, presidential compensation became, and remains, the base salary of \$243,500.

Salaries at the vice presidential level range from \$172,900 to \$190,000. The remaining four positions -- general counsel, treasurer, associate treasurer, and secretary to the Regents -- entail specific responsibilities outside of traditional aca-

DISPLAY 10 Compensation for Statewide Executives of the University of California as of January 1994 and February 1995

<u>Systemwide Position</u>	<u>Total Compensation, January 1994¹</u>	<u>Total Compensation February 1995</u>	<u>Special Supplemental Retirement Program²</u>	<u>University Housing Provided</u>
President	\$280,000 ³	\$243,500	Yes ⁴	Yes
Provost/Senior Vice President - Academic Affairs	190,000	190,000	No	No
Senior Vice President - Business/Finance	187,500	187,500	No	No
Vice President - Agriculture and Natural Resources	172,900 ⁵	172,900	No	No
Vice President - University and External Affairs	180,000 ⁵	180,000	No	No
Vice President - Health Affairs	178,100 ⁵	178,100	No	No
General Counsel	196,200 ⁵	196,200	No	No
Treasurer of the Regents	238,400 ⁵	238,400	No	No
Associate Treasurer	174,600 ⁵	174,600	No	No
Secretary of the Regents	102,700	102,700	No	No

1 Subject to the annualized 3.5 percent temporary salary reduction in effect at the University in 1993-94 for which employees receive an equivalent credit at retirement or separation under the Capital Accumulation Provision account.

2 Non-State funds.

3 Includes deferred compensation of \$36,500.

4 The president's SSR 1 benefit is a monthly benefit calculated at one-twelfth of 10 percent of his final year's base salary as chancellor at Irvine, and is paid for the number of months served as chancellor and as president. The President relinquished his right to an additional SSR benefit which would have been paid as a lump sum at retirement, calculated at 13 percent of his annual base salary for each year of service as president.

5 Participants in a non-deferred income program (NDIP) which expired on January 1, 1994.

Source: Adapted from material submitted by the Office of the President, University of California.

demia, and their compensation levels reflect the specialized experience and training requisite for handling those assignments

Additional benefits that accrue to executive staff in the Office of the President include

- ♦ Housing provided to the president for the purpose of conducting University business,
- ♦ Participation by the president in two Special Supplemental Retirement Programs provided through non-State funds, although President Peltason indicated that he will relinquish benefits from one of these programs upon retirement when he would have received a lump-sum payment based upon his participation in this program (SSR2),
- ♦ University-owned automobiles or automobile allowances for the purpose of conducting University business,
- ♦ Health, welfare, and retirement benefits identical to those received by all permanent University employees, and,
- ♦ Expenses incurred in conjunction with University business that are reimbursable through the Administrative Fund under University guidelines

*Trends
in compensation
at the systemwide
level*

As Display 10 indicates, other than the adjustment in the President's salary as a consequence of his decision to forfeit participation in a deferred compensation program, there were no changes in the compensation levels for systemwide executives from last year to now. Over the last two years, however, the University has reduced the salaries of the two senior vice presidents and the Secretary of the Regents when it hired new executives for these positions

**Commission
comments on
executive
compensation in
the University**

As the Commission noted in its last report, the University's efforts have centered on three aspects of its executive compensation program during the past three years

- 1 *Greater policy simplicity and comprehension* Emphasis has been placed on the need for enhanced understanding of the policy and for increased simplicity in its implementation. The establishment of coherence among and between campus-based and systemwide executives, as illustrated in Display 9, contributes to a sense that the University's executive compensation policy is rational throughout the entire system. Moreover, the setting of compensation levels in accordance with that coherence strengthens the perception that salaries for University executives are determined objectively and according to a set of internally aligned relationships
- 2 *Greater equity of University benefits:* Previous benefits that were perceived to be excessive and available only to the most senior executives created internal and external problems for the University that have largely dissipated with their elimination. Today, perquisites available to executives, with the exception of

the housing and automobile privileges, are more similar to benefits accessible to other University employees than in the past

- 3 *Reduction in compensation levels* The University has made a conscious effort to reduce the compensation received by its executives. On a consistent basis over the past three years, the University has hired executives at compensation levels below those of their predecessors, as previously noted in this report
- ♦ The former president's compensation was \$307,900, the current president's total compensation was originally set at \$280,000, however, he is receiving only \$243,500 of that amount because he has forfeited \$36,500 a year in deferred compensation
 - ♦ Salaries of the two current senior vice presidents are at least \$9,000 less than their predecessors and neither of them receives a housing allowance, as in the past,
 - ♦ As noted previously, the University has continued to reduce the level of executive compensation in its most recent chancellorial appointments. As Display 8 indicated, the previous chancellors at Davis and Santa Barbara earned more than the current incumbents. Likewise, the previous levels of compensation of chancellors at the Irvine and San Francisco campuses were higher than the present chief executive officers at these institutions

The Commission commends the University's Board of Regents and its administrative leaders on these efforts and encourages their continuance in the future

As with the State University, the Commission continues to be concerned that executive compensation levels for campus chancellors lag their national comparators by approximately eight percent, when the San Francisco campus is included in the calculation and by nearly 12 percent when that exclusively allied health campus is excluded. As the University endeavors to recruit and retain competent and skillful executives, this lag could become increasingly troublesome. Moreover, the opportunity to further diversify the cadre of chancellors in the future may be negatively impacted by the disparity between the University's compensation levels and those of its comparators nationally. The extent to which this salary lag can be minimized, without incurring negative consequences, should not only benefit the University, but the State as a whole which looks to its universities for visionary leadership appropriate to guide California into the next century

California Community Colleges

Executive Compensation Report

1995

Contact Person Dr. Maria C. Sheehan
Vice Chancellor
Human Resources

California Community Colleges

Compensation of Central Office Executive Staff

The pattern of compensation for executive staff in the Chancellor's Office of the California Community Colleges is historically driven by the level of compensation for the comparable positions within a college district office or college campus. Once the salary level is established via a pay letter from the State Department of Personnel Administration, the salaries are non-negotiable. There are also no perquisites for executives. Compensation, therefore, is not determined by the Board of Governors but rather by the State Department of Personnel Administration. The Board of governors did, however, authorize a new administrative organization for the Chancellor's Office in 1991. This authorization was based upon the Chancellor's recommendation to the Board.

There exists a combination of positions. Career Executive Assignments (CEA), which retain civil service status, such as reinstatement rights to a classification formerly held if the executive position is abolished, exempt positions, which gain no civil service status or tenure, and Interjurisdictional Exchanges (IJE), which are positions loaned to the Chancellor's Office. IJEs have reinstatement rights to the positions they vacated. At present there are no IJE executive positions.

All rank and file State employees gained a three percent cost-of-living adjustment effective January 1995. The cost-of-living adjustment for executive positions was based upon merit. All members of the Central Office Executive staff were required to have demonstrated merit based upon their performance appraisals in order to be eligible for the equivalent increase which was received January 1995.

All State employees with the exception of the exempt employees received a cost-of-living adjustment of five percent effective January 1994. Effective January 1995, exempt employees received a merit-based five percent adjustment equivalent to the increase which had been granted to all other state employees in 1994.

These cost-of-living adjustments for exempt designations have now brought the level of compensation of the exempt executives in the central office to a level comparable to their counterparts in community college district and college offices.

The Chancellor's designated base salary with the cost-of-living adjustments is now \$115,068. The actual salary is nearly five percent less as is each of the exempt salaries due to the July 1991 salary roll-back imposed on all State employees compensation. The roll back in compensation over a period of eighteen months was restored to all employees with the exception of the exempt employees. In lieu of the salary loss, those employees gain approximately one day of personal leave per month. If there are any days remaining upon the departure of the employee from the Chancellor's Office, a cash equivalent is paid at that time.

The medical, dental, vision and life insurance benefits for the Chancellor and the other executives is the standard benefit package for confidential and management level State employees

The Chancellor receives no housing or car allowance from the State but does have the use of a State car for business purposes, as do all State employees conducting State business

Even with the cost-of-living adjustment the Chancellor's salary is still nearly \$30,000 less than the highest paid district chancellor, who presides over a two-college district. The other exempt executive positions, on the contrary, no longer lag behind their district/college counterparts. All executives are limited to base salary only and are not provided either car or housing allowances.

Table A displays the salaries of the executive staff in the central office. The discrepancy between exempt and CEA classifications represents their historical base. Executives who were formerly within civil service classifications became CEAs and acquired the salary placement equivalent to other State service executive positions via pay determinations by the State Department of Personnel Administration. Exempt salaries were determined by DPA based upon the compensation equivalent to the employee's compensation at the college or district office they left.

California Community Colleges

Chief Executive Officer Compensation

The state of California contains 71 community college districts. Each of the districts has a locally elected board of trustees responsible for setting the compensation of the chief executive officer (CEO). There is no central office determination of local CEO compensation nor any desire for there to be central determination of a local recruitment and financial issue. Of the 71 districts, 50 are single college districts with the CEO designated as president or president/superintendent. The system also has 21 multi-college districts, where the CEO is designated as chancellor and presides over two or more colleges and centers. Each of the fully accredited colleges has a president as its chief executive. Some of the multi-college campuses have enrollments of as many as 30,000 students and others as few as 5,000 and each has, as required for accreditation, a college president. The largest district, Los Angeles, has nine separately accredited colleges and each has a president.

The community college system enrolls over 1.4 million students. It is large and extremely diverse in terms of district size and financial ability, therefore it is believed that the CEO compensation by virtue of the diversity of the system, is best determined by the local board of trustees. The great disparity of compensation speaks to the huge diversity within the system.

Table B displays the 1994-95 highest level of compensation possible for the CEOs of single-college districts and the maximum compensation of the CEOs of the multi-college districts. Also displayed is the compensation of each of the presidents of the colleges within the multi-college districts. Six single college districts provided stipends for doctoral degrees, which were included in the base salary of the CEO.

Table A
California Community Colleges
Compensation of Executive Staff
1994-95

<i>Title</i>	<i>Designation</i>	<i>1994-95 Salary</i>
Chancellor	Exempt	\$115,068
Deputy Chancellor	Exempt	\$103,176
Vice Chancellor Administration and Fiscal Policy	Exempt	\$98,852
Vice Chancellor Legal Affairs and Contracts	CEA	\$91,056
Vice Chancellor Human Resources	Exempt	\$90,792
Vice Chancellor Economic Development/ Vocation Education	Exempt	\$90,792
Vice Chancellor Student Services and Special Programs	Exempt	\$90,792
Vice Chancellor Curriculum and Instructional Resources	CEA	\$80,580
Vice Chancellor Governmental Relations	CEA	\$73,308
Vice Chancellor Management Information Systems	CEA	\$73,308
Vice Chancellor Policy Analysis and Development	CEA	\$80,580

Exempt salaries listed do not reflect five percent reduction in actual compensation implemented July 1, 1991

Executive management structure in place July 1, 1994

Table B
California Community Colleges
Chief Executive Officer Compensation
1994-95

<i>DISTRICT/COLLEGE</i>	<i>TITLE</i>	<i>Salary</i>
Allan Hancock Joint CCD		
Allan Hancock College	Superintendent/President	\$97,400
Antelope Valley CCD		
Antelope Valley College	Superintendent/President	\$82,137
Barstow CCD		
Barstow College	Superintendent/President	\$84,000
Butte CCD		
Butte College	Superintendent/President	\$95,766
Cabrillo CCD		
Cabrillo College	Superintendent/President	\$109,140
Cerritos CCD		
Cerritos College	Superintendent/President	\$115,000
Chabot-Las Positas CCD	Chancellor	\$105,000
Chabot College	President	\$83,883
Las Positas College	President	\$83,883
Chaffey CCD		
Chaffey College	Superintendent/President	\$95,000
Citrus CCD		
Citrus College	Superintendent/President	\$97,319
Coast CCD	Chancellor	\$121,686
Coastline Community College	President	\$94,911
Golden West College	President	\$94,911
Orange College	President	\$93,349
Compton CCD		
Compton Community College	Superintendent/President	\$96,000
Contra Costa CCD	Chancellor	\$133,372
Contra Costa College	President	\$111,912
Diablo Valley College	President	\$111,912
Los Medanos College	President	\$106,734
Desert CCD		
College of the Desert	Superintendent/President	\$91,575
El Camino CCD		
El Camino College	Superintendent/President	\$108,400
Feather River CCD		
Feather River College	Superintendent/President	\$88,500

Table B continued Page 2

DISTRICT/COLLEGE	TITLE	Salary
Foothill-De Anza CCD	Chancellor	\$128,750
De Anza College	President	\$95,790
Foothill College	President	\$95,790
Fremont-Newark CCD		
Ohlone College	Superintendent/President	\$90,874
Gavilan Joint CCD		
Gavilan College	Superintendent/President	\$95,000
Glendale CCD		
Glendale Community College	Superintendent/President	\$104,000
Grossmont-Cuyamaca CCD	Chancellor	\$110,900
Cuyamaca College	President	\$89,409
Grossmont College	President	\$94,830
Hartnell CCD		
Hartnell College	Superintendent/President	\$98,768
Imperial CCD		
Imperial Valley College	Superintendent/President	\$83,513
Kern CCD	Chancellor	\$112,443
Bakersfield College	President	\$94,046
Cerro Coso Community College	President	\$86,009
Porterville College	President	\$82,542
Lake Tahoe CCD		
Lake Tahoe Community College	Superintendent/President	\$84,975
Lassen CCD		
Lassen College	Superintendent/President	\$83,000
Long Beach CCD		
Long Beach City College	Superintendent/President	\$100,000
Los Angeles CCD	Chancellor	\$125,000
East Los Angeles College	President	\$91,898
Los Angeles City College	President	\$91,898
Los Angeles Harbor College	President	\$91,898
Los Angeles Mission College	President	\$83,873
Los Angeles Pierce College	President	\$93,020
Los Angeles Southwest College	President	\$91,167
Los Angeles Trade-Technical College	President	\$91,898
Los Angeles Valley College	President	\$82,750
West Los Angeles College	President	\$93,020

Table B continued Page 3

DISTRICT/COLLEGE	TITLE	Salary
Los Rios CCD	Chancellor	\$115,000
American River College	President	\$94,215
Cosumnes River College	President	\$95,993
Sacramento City College	President	\$95,136
Marin CCD		
College of Marin	Superintendent/President	\$95,000
Mendocino-Lake CCD		
Mendocino College	Superintendent/President	\$82,008
Merced CCD		
Merced College	Superintendent/President	\$92,880
MiraCosta CCD		
MiraCosta College	Superintendent/President	\$96,069
Monterey Peninsula CCD		
Monterey Peninsula College	Superintendent/President	\$90,660
Mount San Antonio CCD		
Mount San Antonio College	Superintendent/President	\$123,900
Mount San Jacinto CCD		
Mount San Jacinto College	Superintendent/President	\$90,800
Napa Valley CCD		
Napa Valley College	Superintendent/President	\$98,244
North Orange County CCD	Chancellor	\$121,125
Cypress College	President	\$89,301
Fullerton College	President	\$89,301
Palo Verde CCD		
Palo Verde College	Superintendent/President	\$89,500
Palomar CCD		
Palomar College	Superintendent/President	\$113,621
Pasadena Area CCD		
Pasadena City College	Superintendent/President	\$117,300
Peralta CCD	Chancellor	\$110,548
College of Alameda	President	\$81,824
Laney College	President	\$87,456
Merritt College	President	\$84,975
Vista College	President	\$77,784
Rancho Santiago CCD		
Rancho Santiago College	Superintendent/President	\$105,496
Redwoods CCD		
College of the Redwoods	Superintendent/President	\$93,500
Rio Hondo CCD		
Rio Hondo College	Superintendent/President	104,635

APPENDIX A Report of the California Community Colleges

Table B continued Page 4

DISTRICT/COLLEGE	TITLE	Salary
Riverside CCD		
Riverside Community College	Superintendent/President	\$115,000
Saddleback CCD	Chancellor	\$145,000
Irvine Valley College	President	\$92,225
Saddleback College	President	\$92,225
San Bernardino CCD	Chancellor	\$90,084
Crafton Hills College	President	\$82,776
San Bernardino Valley College	President	\$81,144
San Diego CCD	Chancellor	\$135,400
San Diego City College	President	\$97,536
San Diego Mesa College	President	\$97,536
San Diego Miramar College	President	\$97,536
San Francisco CCD		
City College of San Francisco	Superintendent/President	\$138,166
San Joaquin Delta CCD		
San Joaquin Delta College	Superintendent/President	\$110,854
San Jose-Evergreen CCD	Chancellor	\$112,200
Evergreen Valley College	President	\$96,116
San Jose City College	President	\$100,922
San Luis Obispo County CCD		
Cuesta College	Superintendent/President	\$92,275
San Mateo County CCD	Chancellor	\$112,368
Canada College	President	\$99,984
College of San Mateo	President	\$99,984
Skyline College	President	\$99,984
Santa Barbara CCD		
Santa Barbara City College	Superintendent/President	\$98,425
Santa Clarita CCD		
College of the Canyons	Superintendent/President	\$105,000
Santa Monica CCD		
Santa Monica College	Superintendent/President	\$131,614
College of the Sequoias CCD		
College of the Sequoias	Superintendent/President	\$98,583
Shasta-Tehama-Trinity Joint CCD		
Shasta College	Superintendent/President	\$99,500
Sierra Joint CCD		
Sierra College	Superintendent/President	\$100,449

Table B continued Page 5

DISTRICT/COLLEGE	TITLE	Salary
Siskiyou Joint CCD		
College of the Siskiyous	Superintendent/President	\$83,120
Solano County CCD		
Solano Community College	Superintendent/President	\$99,500
Sonoma County Junior CD		
Santa Rosa Junior College	Superintendent/President	\$114,648
Southwestern CCD		
Southwestern College	Superintendent/President	\$110,224
State Center CCD	Chancellor	\$125,688
Fresno City College	President	\$93,432
Kings River Community College	President	\$94,188
Ventura County CCD	Chancellor	\$119,100
Moorpark College	President	\$96,471
Oxnard College	President	\$101,592
Ventura College	President	\$96,471
Victor Valley CCD		
Victor Valley Community College	Superintendent/President	\$113,200
West Hills CCD		
West Hills College	Superintendent/President	\$93,090
West Kern CCD		
Taft College	Superintendent/President	\$87,675
West Valley-Mission CCD	Chancellor	\$110,000
Mission College	President	\$96,000
West Valley College	President	\$85,000
Yosemite CCD	Chancellor	\$109,002
Columbia College	President	\$83,529
Modesto Junior College	President	\$84,697
Yuba CCD		
Yuba College	Superintendent/President	\$98,000

Source Management Information Systems staff data file

California Community Colleges

Chief Executive Officer Compensation

The state of California contains 71 community college districts. Each of the districts has a locally elected board of trustees responsible for setting the compensation of the chief executive officer (CEO). There is no central office determination of local CEO compensation nor any desire for there to be central determination of a local recruitment and financial issue. Of the 71 districts, 52 are single college districts with the CEO designated as president or president/superintendent. The system also has 19 multi-college districts, where the CEO is designated as chancellor and presides over two or more colleges and centers. Each of the fully accredited colleges has a president as its chief executive. Some of the multi-college campuses have enrollments of as many as 30,000 students and others as few as 5,000 and each has, as required for accreditation, a college president. The largest district, Los Angeles, has nine separately accredited colleges and each has a president.

The community college system enrolls over 1.4 million students. It is large and extremely diverse in terms of district size and financial ability, therefore it is believed that the CEO compensation by virtue of the diversity of the system, is best determined by the local board of trustees. The great disparity of compensation speaks to the huge diversity within the system.

Table B displays the 1994-95 highest level of compensation possible for the CEOs of single-college districts and the maximum compensation of the CEOs of the multi-college districts. Also displayed is the compensation of each of the presidents of the colleges within the multi-college districts. Six single college districts provided stipends for doctoral degrees, which were included in the base salary of the CEO.

CALIFORNIA STATE UNIVERSITY EXECUTIVE COMPENSATION

The California State University (CSU) system is pleased to respond to the California Postsecondary Education Commission's (CPEC) request for executive compensation information. The following report addresses CSU's executive program

Executive Compensation Policy

The Trustees have adopted an Executive Compensation Policy for campus presidents and system executives with the primary objective of providing a total cash compensation program which recognizes individual performance and experience and addresses the need to maintain a competitive market position. The Executive Compensation Policy sets forth clear objectives and methods for establishing equity and accountability, and it is as follows:

The primary objective of the California State University (CSU) Executive Compensation policy shall be to provide total cash compensation to CSU campus presidents and system executives which will serve to maintain a competitive market position and recognize individual performance

The strategy for establishing executive pay levels and housing benefits shall include the following elements: market surveys of comparable positions at comparable public and private universities, information on other California education executive compensation levels, regular evaluations, regional cost-of-living differentials, and, recruitment and retention experience. The methodology to be implemented follows:

To establish the level of compensation required to recruit and retain executives, the CSU shall give primary consideration to data on executive compensation reported by the 20 institutions identified by CPEC for reporting on CSU faculty salaries

The CSU shall establish the target for the average total cash compensation of presidents as being approximately the mean for comparable positions in the 20 comparison universities with actual distribution based on the mission, scope, size, complexity, and programs of each campus, the formal recognition of individual performance and experience, and recruitment and retention experience

The CSU shall use the performance and experience of the individual, recruitment and retention experience, and specialized surveys to determine compensation for executives other than presidents

The CSU shall give primary consideration to national and regional housing costs for university executives to establish benefits levels to recruit and retain executives and once established, the Chancellor in consultation with the appropriate Trustee Committee shall adjust established housing benefits to reflect market increases in real estate prices, as needed, using data from published California real estate sales reports

Commitment to Open Discussion

The CSU intends to continue to maintain an open dialogue with the legislature, the executive branch, CPEC, as well as other public constituencies, concerning the role of compensation in recruiting and retaining high quality and experienced leadership to ensure fulfillment of the mission of the CSU and higher education in California. These discussions and actions will also continue to be conducted during open sessions of the Board of Trustees' meetings, with advance information provided both to Board members and to other constituencies

Presidential Compensation

As detailed in the executive compensation policy, the CSU establishes the target for the average total cash compensation of presidents as being approximately the mean for comparable positions in the 20

CPEC comparison institution group No increases for incumbent presidents are anticipated in fiscal year 1994/95 Attachment A provides details on compensation provided to CSU presidents

The California State University appointed four new presidents this past year They are Dr Robert C. Maxson, appointed president of CSU, Long Beach, effective June 1, 1994, Dr Marvelene Hughes, appointed president of CSU, Stanislaus, effective August 8, 1994, Dr Peter P Smith, appointed president of CSU, Monterey Bay, effective January 1, 1995, and Dr Robert L Caret, appointed president of San Jose State University, effective January 30, 1995.

Presidential Salary Comparison Data

In December 1993, CPEC and the CSU agreed that the CSU would contract with a consultant to provide independently presidential salary survey information on the 20 CPEC comparison institution group to CPEC, beginning with the February 1995 report. CSU selected William M. Mercer, Incorporated (Mercer) to provide the salary survey information. The February 1995 Mercer CSU 1994/95 Presidential Compensation Survey Report has been forwarded to CPEC directly from Mercer. Also, a copy of that report is attached

System Executive Compensation

In CSU's February 1994 report to CPEC on executive compensation, it was anticipated that compensation adjustments for system executives could be recommended for action at the March 1994 Board of Trustees' meeting That action did not take place With the exception of a merit/equity adjustment provided to the vice chancellor of Human Resources and Operations, system executives did not receive salary adjustments in fiscal year 1993/94

There have been two changes in system office executive staffing since CSU's 1994 report. Effective July 1, 1994, Dr Douglas Pabño, interim vice chancellor University Advancement received a regular appointment and effective November 1, 1994, Ms Christine Helwick was appointed interim general counsel Their salaries are detailed in Attachment A.

Executive Compensation Levels

The Trustees recognize compensation for presidents and system executives as a key element in the success of the California State University Individual compensation is based on a number of factors, including mission, scope, size, complexity and programs, system and/or campus executive leadership ability, CSU networking and policy leadership, and national policy leadership Additionally, individual performance and years of experience both at the CSU and elsewhere are critically important. Also, CSU's recruitment and retention experience strongly influences compensation and regional cost-of-living differentials are taken into consideration when establishing pay As noted earlier, the CPEC comparison group is also an important target against which to measure presidential pay

The pay relationships between system office executives and campus presidents is undergoing a profound shift which acknowledges the on-going decentralization of authority to the campuses

Performance Reviews of Presidents and Systems Executives

CSU Trustees have formal policies and procedures for performance reviews of presidents, vice chancellors and the chancellor The assessment criteria include, but are not limited to, general administration effectiveness, working relations within the system and campus, educational leadership and effectiveness, community relations, personal characteristics, and management performance. Additionally, during performance evaluations, presidents are measured on their success in addressing issues of diversity of faculty, staff and students, graduation and retention rates of students, institutional advancement, including fund raising, and maintenance and preservation of the State's financial

investment in the physical plant. Also, system executives are measured by major program achievements. All CSU executives are evaluated every three years and six years and the results are reported to the Board of Trustees.

At the January 25-26, 1994, Board of Trustees' meeting, the Trustees adopted a solution that implemented a two year pilot program to revise the procedure for the triennial review of presidents. Under the revised procedure, the Chancellor will issue an "open letter" to the affected campus to inform of the routine review, the time frame, the criteria, and the methodology. The letter will also give direction to anyone who is not contacted either randomly or by virtue of office held but feels compelled to participate. After the Board of Trustees has received and discussed the triennial review, the chancellor will prepare a brief report to the campus community that brings conclusion to the review and informs the campus community of the major findings and the goals for the president and the campus for the next period. The existing formal performance policy remains intact, but these revisions strengthen the triennial review of presidents.

Executive Housing

Support for executive housing is an essential business and institutional advancement element in university systems and assistance with presidential housing is a standard component of the CSU executive compensation program. The CSU provides presidents with university-owned housing where available. Houses owned by the state are maintained by the university. Where university-owned housing is not available, the CSU provides presidents with housing allowances to assist them in securing and maintaining residences suitable for performing university-related business functions including public relations and institutional development activities. The Trustees also provide the chancellor with a university residence and the executive and senior vice chancellors with housing allowances in recognition of their broad responsibilities for institutional development.

Executive Recruitment and Retention Problems

The CSU has had serious difficulty recruiting executives and retaining campus presidents in recent years. Higher education in California is part of a national system of colleges and universities that shares a very limited pool of qualified executives. Four campus presidents were recruited since our last report and recruitment was difficult. Additionally, current campus chief executives are under severe pressure to consider highly competitive offers from across the nation.

It is essential that the vital role of the California State University in the development of an educated and effective work force be maintained, and even enhanced, if the California economy is to recover and continue to grow, and funding for critical social programs is to be restored. In this era of significantly reduced resources and considerably raised expectations, the dynamic leadership of executives is the key element in keeping the engine of educational productivity and social enhancement operating at maximum efficiency. The CSU plays an important part in the present and future growth and economic health of California and the nation. Therefore, it is important that CSU executives be treated as the competent and competitive leaders the state requires.

Reimbursable Expenses

Campus presidents receive a nominal entertainment allowance of \$300 per month from the State's General Fund to defray costs incurred in the course of conducting official university and institutional development activities. Additionally, the Chancellor receives a \$300 per month entertainment allowance while other Chancellor Office executives receive \$83.33 per month.

Business expenditures that incur in the performance of duties are reimbursed according to the Internal Regulations Governing Reimbursement for Travel Expenses and Allowances, Rates for Housing and Lodging.

Executive Benefits

CSU executives are provided with the same general benefits as the management group, with the exception of an annual physical examination. Health, welfare, and retirement benefit expenditure data is provided below.

Monthly CSU Benefit Costs

Medical	\$323.00*
Dental	\$ 57.17*
Vision	\$ 8.75
Life/Acc. Death Insurance	\$ 10.35
Medicare/OASDI	7.65% of base salary
PERS Retirement	9.934% of base salary
Long-Term Disability	30% of base salary

*Cost for two party coverage

The CSU also provides mandated benefits to executives in the areas of industrial and non-industrial disability, workers compensation, and unemployment insurance.

The Trustees also provide the executive and senior vice chancellor with automobile allowances in recognition of their extensive systemwide responsibilities and frequent travel requirements.

CSU Executive Compensation Report

Compensation includes base salary, deferred salary, housing allowance and automobile allowances. Attachment A provides compensation data for CSU executive staff as of February 1, 1995.

ATTACHMENT A



President	Campus	Base Salary	Total Housing (1) Provided Allowance	Car (2) Allowance
Arciniega	Bakersfield	\$130,033		\$12,000
Esteban	Chico	\$121,752		\$18,000
Detweiler	Dominguez Hills	\$127,268		\$15,000
Welty	Fresno	\$132,189	Provided	
Gordon	Fullerton	\$128,711	Provided	
Rees	Hayward	\$129,870		\$18,000
McCrone	Humboldt	\$132,096		\$12,000
Maxson	Long Beach	\$142,008	Provided	
Rosser	Los Angeles	\$136,422		\$18,000
Smith	Monterey Bay	\$142,008		\$18,000
Wilson	Northridge	\$138,844	Provided	
Suzuki	Pomona	\$125,232	Provided	
Gerth	Sacramento	\$140,142		\$18,000
Evas	San Bernardino	\$128,265		\$15,000
Day	San Diego	\$136,967		\$18,000
Corrigan	San Francisco	\$134,413		\$30,000
Caret	San Jose	\$132,600		\$18,000
Baker	San Luis Obispo	\$146,343	Provided	
Stacy	San Marcos	\$122,913		\$22,800
Armstrong	Sonoma	\$127,632		\$15,000
Hughes	Stanislaus	\$133,008		\$15,000
Average Salary		\$132,796		

Executive Staff

Munitz	Chancellor (3)	\$175,000	Provided		
Broad	Executive Vice Chancellor	\$138,504		\$18,000	\$9,000
Hoff	Sr Vice Chancellor - Academic Affairs	\$131,502		\$18,000	\$9,000
West	Vice Chancellor - Business and Finance	\$135,000			
Cooper	Vice Chancellor - Human Resources/Operations	\$130,008			
Pasillo	Vice Chancellor - University Advancement	\$125,688			
Helwick	Interim General Counsel	\$133,000			

Notes.

(1) Includes general and non-general fund allowances

(2) Campus presidents and executive staff without a specified allowance may use a state owned vehicle for business purposes

(3) Additional \$10,000 in non-state deferred compensation

**1994-95 ANNUAL REPORT ON ADMINISTRATIVE SALARIES
UNIVERSITY OF CALIFORNIA**

PART I: Policies on Compensation and Benefits for Senior Administrators

Policies and Programs

On December 10, 1992, The Regents approved significant reforms in compensation and benefits for senior administrators. The policies reflecting these changes were provided verbatim in the 1993-94 Annual Report on Administrative Salaries submitted to the California Postsecondary Education Commission on January 28, 1994. In addition, several supplemental benefits were either reduced or eliminated, effective January 1, 1993, information regarding the changes to supplemental benefit programs was also included in the 1993-94 Annual Report.

No new policies on compensation or benefits have been adopted by the Board of Regents during the current reporting period. No new compensation plans or special benefit programs have been planned or implemented for senior administrators during the reporting period.

Deferred Compensation

Deferred compensation for UC Chancellors has been discontinued. A three step plan was implemented to phase-out deferred compensation, beginning January 1, 1993 and to convert deferred compensation to base salary, dollar for dollar. That three step process for Chancellors was completed on January 1, 1994. The compensation previously provided in the form of non-qualified deferred income plans is now provided in the form of base salary.

Health, Welfare, and Retirement Benefits

Senior administrators at the University of California receive the same health, welfare, and retirement benefits provided to all career employees. Actual costs of standard health, welfare, and retirement benefits for individuals will vary according to the plan and coverage selected by the incumbent. The President¹ of the University and one

¹The President of the University is eligible for a Special Supplemental Retirement (SSR) benefit, payable upon retirement, which is a monthly benefit calculated at 1/12 of 10% of his final year's annual base salary, to be paid for the number of months he served as Chancellor of the Irvine campus and President of the University. This benefit is at risk until retirement. The President renounced his right to an additional SSR benefit which was to be paid as a lump sum at retirement, calculated at 13% of his annual base salary for each year of service as President.

Chancellor² will be eligible to receive a supplemental retirement benefit at retirement
This benefit is at risk until retirement

Part II: Compensation of Chancellors - Market Comparisons

In accordance with the joint UC/CPEC common methodology, the All University set of 26 institutions has been used as the basis for market comparisons for the position of Chancellor. Of the 26 institutions, 23 (excluding the University of California) elected to participate in the current year's survey. The survey results are published in the attached report prepared by the independent consulting firm of William M. Mercer, Inc. The University's lag to market (the percent by which UC salaries would have to be increased to match the market) has been calculated using total cash compensation (The University of California phased out deferred compensation for Chancellors and converted it to base salary. This process was completed on January 1, 1994.)

The lag to market for total compensation is summarized below

1994-95 AVERAGE TOTAL COMPENSATION

Chancellors

<u>UC</u>	<u>All University Set</u>	<u>UC Lag</u>
\$187,922	\$202,580*	7.8%

*Reflects average salary for 23 participating institutions

Seven of UC's nine Chancellors' salaries lag the market average by an average of 14.1%. The UCSF Chancellor's salary is above the market average by 15.6%. The salary level for the Chancellor at UCSF is related to the exceptional credentials required of the incumbent, including an MD, and the unique nature of UCSF as a health sciences campus. When this Chancellor's salary is excluded from the calculations, the average salary for UC Chancellors drops by over \$6,000, as follows:

²The Chancellor of the Los Angeles campus is eligible for a Special Supplemental Retirement (SSR) benefit which is payable in a lump sum equal to 10% of 1/12 of the Highest Average Plan Compensation (HAPC) for the period served as Chancellor and is discounted to present value permitted by Internal Revenue Codes. This benefit is at risk until retirement.

1994-95 AVERAGE TOTAL COMPENSATION

Chancellors

Excluding the UCSF Chancellor

	<u>UC</u>		All University Set		<u>UC Lag</u>	
	\$181,413		\$202,580*		11.7%	

**Reflects average salary for 23 participating institutions*

In 1991-92 the average compensation for UC Chancellors was \$189,989. Average compensation for UC Chancellors fell in 1992-93, again in 1993-94, and again in 1994-95 due to the fact that salary increases for senior administrators were frozen, and also due to the lower compensation levels of newly appointed Chancellors at several campuses. For example, in 1994, new Chancellors were appointed at UC Davis and UC Santa Barbara at lower compensation levels than their predecessors. Likewise, in 1993, new Chancellors were appointed at UC Irvine and UC San Francisco at compensation levels less than those of the previous incumbents.

Compensation at comparable institutions is growing while compensation for UC Chancellors has been either severely limited or frozen since January, 1991, or in the case of new appointees, has been reduced. A review of the decline in average total cash compensation for UC Chancellors provides the following picture:

|| | |

AVERAGE TOTAL COMPENSATION
FOR UNIVERSITY OF CALIFORNIA
Chancellors

1990-91 to 1994-95

<u>Year</u>	<u>All Univ Set</u>	<u>UC</u>	<u>UC Lag</u>
1990-91	194,700	194,700	2.0%
1991-92	205,200	189,989	8.0
1992-93	215,765	188,767	14.3%
1993-94	215,765	188,400	14.5%
1994-95	202,580*	187,922	7.8

**Reflects average salary for 23 participating institutions*

Data was also gathered on the Comparison 8 institutions. For 1994-95 the average total cash compensation for this group was \$213,700. The UC lag to market is 13.7%. When we exclude the San Francisco campus from the UC average, the lag increases to 17.8%, as follows:

1994-95 AVERAGE TOTAL COMPENSATION FOR COMPARISON 8 INSTITUTIONS

Chancellors

<u>UC</u>	<u>Comparison 8</u>	<u>UC Lag</u>
\$202,580	\$213,700	13.7%

1994-95 AVERAGE TOTAL COMPENSATION FOR COMPARISON 8 INSTITUTIONS

Chancellors

Excluding the UCSF Chancellor

<u>UC</u>	<u>Comparison 8</u>	<u>UC Lag</u>
\$187,922	\$213,700	17.8%

PART III: Changes in Compensation Levels

Compensation for all UC executives, including systemwide officials, has been either frozen or severely limited since January 1, 1991. As a result, the net growth in compensation during that period for selected senior administrative positions at the Office of the President (for example, President, Senior Vice Presidents, Vice Presidents, Associate Vice Presidents, and Assistant Vice Presidents) was less than 1%.

Effective October 1, 1994, eligible UC executives received merit increases averaging 1% (with an additional .25% available for non-base building increases). Consistent with Legislative intent, the 1.25% salary increase pool is less than one-fourth of the funding available for faculty and staff. The increases resulted in a net change in total compensation for the four categories of selected positions at the Office of the President as follows:

<u>Position</u>	<u>1/93 Range</u>	<u>Increase Over 1/94 Salary</u>
President	\$243,500	0.00%
Senior Vice Presidents	\$187,500 to 190,000	0.00%
Vice Presidents	\$172,900 to 180,000	0.00%
Associate Vice Presidents	\$124,000 to 131,800	0.99%
Assistant Vice Presidents	\$108,200 to 129,500	0.95%

Deferred Compensation

Deferred compensation, which had been provided to the 10 most senior positions in the reporting group, was converted to base salary beginning January 1, 1993 and ending January 1, 1994, except for the President and the DOE Laboratory Directors³. The President's deferred compensation will end in September, 1995 and will not convert to base salary (He has announced his departure as of September 30, 1995). For all executives who were previously eligible for deferred compensation, the net change in total cash compensation from 1992-93 to 1993-94 is zero.

³Compensation changes for the DOE Laboratory Directors is subject to concurrence by the Department of Energy.

References

California Postsecondary Education Commission *Final Annual Report on Faculty and Administrative Salaries in California Public Higher Education, 1982-1983* Commission Report 82-17 Sacramento The Commission, April 1982

-- *Final Annual Report on Faculty and Administrative Salaries in California Public Higher Education, 1983-84* Commission Report 83-21 Sacramento The Commission, April 1983

-- *Final Annual Report on Faculty and Administrative Salaries in California Public Higher Education, 1984-85* Commission Report 84-21 Sacramento The Commission, June 1984

-- *Supplemental Report on Academic Salaries, 1985-86 Faculty Salaries in the California Community Colleges, Selected Administrative Salaries at the University of California and the California State University* Commission Report 86-26 Sacramento The Commission, September 1986

--. *Supplemental Report on Academic Salaries, 1986-87 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation* Commission Report 87-36 Sacramento The Commission, September 1987

--. *Supplemental Report on Academic Salaries, 1987-88 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation* Commission Report 88-30 Sacramento The Commission, September 1988

-- *Supplemental Report on Academic Salaries, 1988-89 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation* Commission Report 89-25 Sacramento The Commission, September 1989

-- *Supplemental Report on Academic Salaries, 1989-90 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Subsequent Postsecondary Salary Legislation* Commission Report 90-21 Sacramento The Commission, September 1990

-- *Supplemental Report on Academic Salaries, 1990-91 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Supplemental Language to the 1979, 1981, and 1990 Budget Acts* Commission Report 91-14 Sacramento The Commission, September 1991

-- *Supplemental Report on Academic Salaries 1991-92 A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965) and Supplemental Language to the 1979 and 1981 Budget Acts* Commission Report 92-16 Sacramento The Commission, August 1992

-- *Executive Compensation in California's Public Universities 1992-93 A Report to the Governor and Legislature in Response to the 1992 Budget Act* Commission Report 93-4 Sacramento The Commission, April 1993

-- *Executive Compensation in California's Public Universities 1993-94 The Second in a Series of Reports to the Governor and Legislature in Response to the 1992 Budget Act.* Commission Report 94-14 Sacramento The Commission, August 1994

Post, A. Alan "Report of A. Alan Post to the Regents and the President of the University of California on Issues Relating to Compensation of University Executives" Regents Agenda Item for the October 5, 1992 Special Meeting of the Committee on Finance Oakland Office of the President, University of California, September 1992

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of June 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*
Guillermo Rodriguez, Jr., San Francisco, *Vice Chair*
Elaine Alquist, Santa Clara
Mim Andelson, Los Angeles
C. Thomas Dean, Long Beach
Jeffrey I. Marston, San Diego
Melinda G. Wilson, Torrance
Linda J. Wong, Los Angeles
Ellen F. Wright, Saratoga

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,
Yvonne W. Larsen, San Diego, appointed by the California State Board of Education,
Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University,
Kuhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and
Frank R. Martinez, San Luis Obispo, appointed by the Council for Private Postsecondary and Vocational Education

The two student representatives are
Stephen Leshner, Meadow Vista
Beverly A. Sandeen, Costa Mesa

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933.

EXECUTIVE COMPENSATION IN CALIFORNIA PUBLIC HIGHER EDUCATION, 1994-95: The Third in a Series of Annual Reports to the Governor and Legislature in Response to the 1992 Budget Act Commission Report 95-6



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

- 94-16 *State Postsecondary Review Entity (SPRE) Standards, as Submitted to the Office of Administrative Law and the United States Secretary of Education* (October 1994)
- 94-17 *Fiscal Profiles, 1994: The Fourth in a Series of Factbooks About the Financing of California Higher Education* (October 1994)
- 94-18 *Proposed Construction of the Palmdale Center of the Antelope Valley Community College District. A Report to the Governor and Legislature in Response to a Request from the Board of Governors of the California Community Colleges* (October 1994)
- 94-19 *The Performance of California Higher Education, 1994: The First Annual Report to California's Governor, Legislature, and Citizens in Response to Assembly Bill 1808 (Chapter 741, Statutes of 1991)* (December 1994)
- 94-20 *Student Profiles, 1994: The Latest in a Series of Annual Factbooks About Student Participation in California Higher Education* (December 1994)

1995

- 95-1 *A New State Policy on Community College Student Charges* (February 1995)
- 95-2 *The WICHE Compact: An Assessment of California's Continued Membership in the Western Interstate Commission for Higher Education* (February 1995)
- 95-3 *The Challenge of the Century: Planning for Record Student Enrollment and Improved Outcomes in California Postsecondary Education* (April 1995)
- 95-4 *Faculty Salaries in California's Public Universities, 1995-96: A Report to the Legislature and the Governor in Response to Senate Concurrent Resolution No. 51* (April 1995)
- 95-5 *Legislative and State Budget Priorities of the Commission, 1995. A Report of the California Postsecondary Education Commission* (April 1995)
- 95-6 *Executive Compensation in California Public Higher Education, 1994-95: The Third in a Series of Annual Reports to the Governor and Legislature in Response to the 1992 Budget Act* (June 1995)
- 95-7 *Approval of the Escondido Center of the Palomar Community College District: A Report to the Governor and Legislature in Response to a Request from the Board of Governors of the California Community Colleges* (June 1995)